

Amendment No. 2 to SB2659

**Black
Signature of Sponsor**

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 2659*

House Bill No. 3100

by deleting the amendatory language of SECTION 1 and by substituting instead the following:

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(1) A small business that provides qualifying health benefits for its eligible enrolled employees during the tax year shall be allowed a health benefit tax credit where applicable against Tennessee's franchise and excise tax, state unemployment tax, worker's compensation tax, and professional privilege tax, in order listed until the tax credit is exhausted. Any remaining health benefit tax credit may be carried forward for a period not to exceed fifteen (15) years. For the purposes of this subsection, a taxpayer provides qualifying health benefits if the taxpayer pays at least fifty percent (50%) of the premiums for health care coverage for the employee and the employee's dependents that equals or exceeds the minimum provisions of the basic health care plan of coverage recommended by the small employer carrier committee, pursuant to § 56-7-2208, or if the taxpayer's employees have qualifying existing coverage. The health benefit tax credit shall be limited to the lesser of two hundred dollars (\$200) or the taxpayer's health benefit costs for each eligible enrolled employee during the tax year.

(2) As used in this subsection, unless the context otherwise requires:

(A) "Eligible enrolled employee" means a permanent full-time, small business employee who is enrolled in a qualifying health benefits plan, as described in this subsection, and whose federal taxable income does not exceed forty thousand dollars (\$40,000);

(B) "Full-time employment" means a normal work week of thirty (30) hours or more;

(C) “Qualifying existing coverage” means benefits or coverage provided under an employer-based health insurance or health benefit arrangement, including a self-insured plan, that provides benefits similar to or in excess of benefits provided under the basic health care plan of coverage recommended by the small employer carrier committee, pursuant to § 56-7-2208; and

(D) “Small business” means a taxpayer that employs not more than ten (10) eligible enrolled employees throughout the tax year or a taxpayer that, as a client company of a professional employer organization, co-employs not more than ten (10) eligible enrolled employees throughout the tax year.